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## **Sen. Allen's summer resort legislation on its way to governor**

**LANSING** – Legislation that reconciles conflicting attorney general opinions on how summer resort corporations should assess dues passed the House of Representatives today and will be transmitted to the governor, said Sen. Jason Allen, R-Traverse City.

“Conflicting attorney general opinions have created a cloud over the process for summer resort corporations to assess dues,” Allen said. “This legislation will clear up the confusion, while providing flexibility to the associations on the process.”

Michigan law currently states that an organization incorporated under Public Act 137 of 1929 may assess annual dues and special assessments against its members by a vote of a majority thereof.

An informal letter opinion issued in the 1970s by Attorney General Frank Kelley interpreted the word “majority” as a “majority of votes cast.” Associations have been assessing dues pursuant to this opinion for many years.

In a 2004 formal opinion which supplanted the Kelley opinion, Attorney General Mike Cox opined that “majority” should be interpreted as “a majority of a summer resort corporation’s members.”

The Long Lake Peninsula Association, an association in Allen’s district, alerted him about the problem. After reviewing the opinions, Allen found that legislative clarification of this section of law was needed.

Sponsored by Allen, Senate Bill 751 clarifies the issue by granting a corporation the ability to determine how to assess dues by amending their bylaws. The bill specifies that a majority of the corporation’s members must approve a dues assessment, unless the bylaws are amended to provide otherwise.

“If the legislation becomes law there will be greater local control of the decision making process in these matters,” Allen said. “I look forward to the governor signing this bill, which will resolve this issue.”

The governor has 14 days to sign the bill into law once it is placed on her desk.

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